



NOVA SCOTIA BARRISTERS' SOCIETY

## WORKING COPY – NOT FOR SUBMISSION TRUST ACCOUNT REPORT

(in accordance with Part 4 and Part 10 of the Regulations of the *Legal Profession Act* (LPA))

### Instructions

This Trust Account Report includes new and revised sections. The revisions include such items as requesting additional explanation(s) in the case of exceptions to the Regulations and requests for additional information that will aid the Society in our work around risk-focused triple-p regulation.

This document is a working copy of the Trust Account Report. It can be used for preparing your report for electronic submission to the Nova Scotia Barristers' Society. All Trust Account Reports are to be submitted electronically via the NSBS Assessment System. All entities that must file a Trust Account Report will have received an email with a link to the NSBS Assessment System for the purpose of filing your report electronically. Any questions about the method of filing or the Trust Account Report in general can be submitted to [dbo@nsbs.org](mailto:dbo@nsbs.org).

This report is for:	
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This report covers the period from \_\_\_\_\_ to \_\_\_\_\_.

**\*\* When completing the report electronically, the above three fields will be prepopulated with information specific to your filing, and will not be editable by the person filing the electronic Trust Account Report\*\***

Accounting records are maintained primarily by:

- Full-time accountant/bookkeeper   
 Part-time accountant/bookkeeper   
 Accounting firm   
 Secretary/staff   
 Law firm's principal(s)   
 Other (please explain below)

Name of person(s) maintaining accounting records:

\_\_\_\_\_

Position/designation/office of the person(s): \_\_\_\_\_

The nature of the accounting system is mainly:		
Manual (ledger books)	<input type="checkbox"/>	Name of software used to maintain computerized trust records or "other": _____
Accounting software	<input type="checkbox"/>	
Other software	<input type="checkbox"/>	
Computer service provider	<input type="checkbox"/>	
Other (explain)	<input type="checkbox"/>	

**\*\* Your electronic Trust Account Report will be prepopulated with all general trust accounts the Society is aware of with respect to your practice. The table listing these is read-only and cannot be edited. If any of the information provided is outdated or incorrect, fields below will allow you to enter the correct details. Please also enter any new general trust accounts or general trust accounts that are not listed. If a listed trust account is closed, provide the closure date in the following format: MM/DD/YYYY. There is no need to list any specific trust accounts.\*\***





Please check the applicable boxes for the following requirements and questions:

## BOOKS AND RECORDS

Regulation	Requirement		<input type="checkbox"/> Yes	<input type="checkbox"/> No
10.4.1(a)	The accounting records have been maintained to allow for accurate identification of trust money and property		<input type="checkbox"/>	<input type="checkbox"/>
10.4.1(b)	The transactions have been posted throughout the reporting period on a timely basis.		<input type="checkbox"/>	<input type="checkbox"/>
10.4.1(c)	The accounting records, including source documents, are maintained for at least seven (7) years.		<input type="checkbox"/>	<input type="checkbox"/>
<b>We maintain:</b>				
10.4.2	We confirm that we maintain the books and records as required by the Regulations. Specifically, we maintain all of the following: a book of original entry for all receipts; a book of original entry for all payments; a client ledger identifying receipts, payments and any unexpended balance for each client; a record showing all property held in trust (if applicable); a data source or chronological file of all billings, bank statements, cashed cheques (or digital images) for all accounts; a record of all monthly reconciliations; and, if applicable, a record of all transfers between clients.		<input type="checkbox"/>	<input type="checkbox"/>
<b>** If you answer "No" to the above question, you are required to answer the next 11 questions. If you answer "Yes" to the above question, skip ahead to the next group of questions ("Deposits").**</b>				
10.4.2(a)	a book of original entry or data source showing the date of receipt and source of trust money for each client and identifying the client on whose behalf the trust money is received;		<input type="checkbox"/>	<input type="checkbox"/>
10.4.2(b)	a book of original entry showing all payments out of trust money for each client, the date of each payment, the name of each recipient, and identifying the client on whose behalf each payment is made out of trust money;		<input type="checkbox"/>	<input type="checkbox"/>
10.4.2(c)	a clients' trust ledger showing separately for each person on whose behalf trust money has been received, all such money received and disbursed and any unexpended balance;		<input type="checkbox"/>	<input type="checkbox"/>
10.4.2(d)	a record showing all trust property held in trust, and identifying the client on whose behalf the property is held;		<input type="checkbox"/>	<input type="checkbox"/>
10.4.2(e)	a book of original entry or data source showing the date of receipt and source of all money received other than trust money;		<input type="checkbox"/>	<input type="checkbox"/>
10.4.2(f)	a book of original entry or data source showing all payments of money other than trust money, the date of each payment and the name of each recipient;		<input type="checkbox"/>	<input type="checkbox"/>
10.4.2(g)	a book, data source or chronological file of copies of billings showing all fees charged and other billings to clients, the dates such charges are made and identifying the clients so charged;		<input type="checkbox"/>	<input type="checkbox"/>
10.4.2(h)	bank statements, cashed cheques, which may include a digital image provided by the practising lawyer's financial institution showing both the front and back of the cheque, and detailed deposit slips for all trust and general accounts;		<input type="checkbox"/>	<input type="checkbox"/>
10.4.2 (i)	a record showing a comparison made monthly of the total of balances held in all trust accounts and the total of all unexpended balances of funds held in trust for clients as they appear from the books and records together with the reasons for any differences between the totals and supported by:			
	(i) a detailed listing made monthly showing the amount of trust money held for each client and identifying each client for whom trust money is held; and		<input type="checkbox"/>	<input type="checkbox"/>
	(ii) a detailed reconciliation made monthly of each trust account in a financial institution;		<input type="checkbox"/>	<input type="checkbox"/>
10.4.2(j)	a record showing all transfers of trust money between clients' trust ledger accounts and explaining the purpose for which each transfer is made;	<input type="checkbox"/> N/A	<input type="checkbox"/>	<input type="checkbox"/>

## DEPOSITS

Question			
10.2	We acknowledge that we are responsible for all trust money and property received from or on behalf of a client; and the timely deposit of trust money into a trust account; and identifying the person on whose behalf the money is deposited. We confirm that for the period covered by this report, all trust money was deposited within one day of receipt, was deposited into a trust account, was kept at a financial institution, that we received written confirmation for all deposits, that only trust money was deposited to the trust account and that all interest generated by general trust accounts was paid to the Law Foundation of Nova Scotia.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
4.4	Did any lawyer in the law firm receive or accept \$7,500 or more in currency (cash) in the course of a single transaction?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
	If yes, please explain:		

**\*\*If you answer "No" to question 10.2, you are required to answer the next 6 questions. If you answer "Yes" to question 10.2, skip ahead to question 10.2.7 \*\***

10.2.3	Was all trust money deposited within one banking day of receipt?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
10.2.4(a)	Was all trust money deposited in an account designated as a trust account?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
10.2.4(b)	Was the trust account kept at a financial institution as defined in subregulation 10.1.1?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
10.2.4(c)	Does the trust account bear interest that is computed and payable to the Law Foundation of Nova Scotia as required by the <i>Legal Profession Act</i> ?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
10.2.5	In the case of funds deposited into the lawyer's or firm's trust account by a third party, was written confirmation obtained from the lawyer's financial institution?	<input type="checkbox"/> N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No
10.2.6	Were the funds deposited to the trust account only those described in subregulation 10.2.6?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

**The next 3 questions are mandatory:**

10.2.7	At any time during the year were personal (or office operating) funds deposited to the trust account?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
10.2.8	Were any escrow conditions requiring trust money or property to be held without deposit received in writing?	<input type="checkbox"/> N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No
10.2.9	At any time was the trust account used where there was no trust relationship?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

## WITHDRAWALS

10.3	We acknowledge that we are responsible for all withdrawals or transfers from a trust account and that records of all withdrawals have been maintained.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
10.3.3	We can confirm that all money due the lawyer/law firm was promptly removed from the trust account.	<input type="checkbox"/> Yes	<input type="checkbox"/> No

**We confirm that all money was withdrawn from a trust account only in accordance with Regulation 10.3.4, namely:**

10.3.4(a)	for payment on account of a client;	<input type="checkbox"/> N/A	<input type="checkbox"/> Yes	<input type="checkbox"/> No
10.3.4(b)	money that was deposited inadvertently into a trust account in contravention of the Regulations;	<input type="checkbox"/> N/A	<input type="checkbox"/> Yes	<input type="checkbox"/> No
10.3.4(c)	money properly required for or toward payment of the practising lawyer's or law firm's fees that have been disclosed to the client;	<input type="checkbox"/> N/A	<input type="checkbox"/> Yes	<input type="checkbox"/> No
10.3.4(d)	as authorized in writing by a person designated by the Society;	<input type="checkbox"/> N/A	<input type="checkbox"/> Yes	<input type="checkbox"/> No
10.3.4(e)	as directed by a court of competent jurisdiction;	<input type="checkbox"/> N/A	<input type="checkbox"/> Yes	<input type="checkbox"/> No

## FORM OF WITHDRAWAL

10.3.5 We confirm that all withdrawals from the trust account were done in accordance with Regulation 10.3.5. Specifically, all withdrawals were made to a named payee; made by at least one practising lawyer; made by two persons; not released until we were in possession of the funds for the client; and not released until we had sufficient knowledge of the withdrawal to ensure the client's interests were protected.  Yes  No

**\*\* If you answer "No" to the above question, you are required to answer the next 6 questions. If you answer "Yes" to the above question, go to question 10.3.7\*\***

10.3.5(a) We confirm that all withdrawals were made to a named payee;  N/A  Yes  No

10.3.5(b) We confirm that all withdrawals were made by at least two persons, at least one of whom is a practising lawyer;  N/A  Yes  No

10.3.6 **If no to previous question** – is the practising lawyer a sole practitioner and was the withdrawal made by the lawyer only? *Choose "N/A" if answer to previous question was "Yes".*  N/A  Yes  No

10.3.5(c) We confirm that all withdrawals were made identifying the trust account from which the funds are withdrawn and the date on which the funds are withdrawn;  N/A  Yes  No

10.3.5(d) We confirm that all withdrawals were released from the lawyer's office only after the lawyer or law firm was in possession of funds for the credit of the client on whose behalf the withdrawal was made;  N/A  Yes  No

10.3.5(e) We confirm that all withdrawals were not released or effected until the practising lawyer had sufficient knowledge of the withdrawal to ensure that the client's interests were protected.  N/A  Yes  No

**The next 2 questions are mandatory:**

10.3.7 Did anyone make a withdrawal from any of the firm's trust accounts by way of a debit card or similar instrument?  N/A  Yes  No

10.3.8 Was a signed direction to the financial institution or the signed electronic confirmation sent by the financial institution stored in such manner that it may be cross-referenced to the withdrawal from the trust account as shown on the monthly statement from the financial institution?  N/A  Yes  No

## OVERDRAFTS

10.6.1 At all times was a balance on deposit in trust sufficient to meet all obligations with respect to monies held in trust for each client?  Yes  No

10.6.2 In the case of errors in the trust account, were they corrected without delay?  N/A  Yes  No

10.6.3 Were all overdrafts in any trust account reported to the Executive Director immediately?  N/A  Yes  No

## ACTING IN A REPRESENTATIVE CAPACITY

10.1.2 Did any lawyers of the firm act in a representative capacity as defined in Regulation 10.1.2?  Yes  No

**If yes:**

10.1.3(a) Did we maintain a record of all appointments or assumptions of a representative capacity and a list of the beneficiaries of the estate or trust together with their last known address?  Yes  No

10.1.3(b) Were the books, records, accounts and documentation of the estate or trust in a form sufficient to accommodate an examination, review, audit or investigation ordered by the Executive Director or Complaints Investigation Committee?  Yes  No

## REQUIRED INFORMATION

1. In order to get a better sense of the volume and dollar amount of trust account transactions that occur, the Society is asking for the opening and closing balances of trust accounts and the number and dollar (\$) amount of the debits and credits that occurred during the trust account year.

For all your general trust accounts taken together, please indicate the following:

Total # of debits	Total \$ amt of debits	Total # of credits	Total \$ amt of credits	Total opening balance (at start of reporting period)	Total closing balance (at end of rptg period)

2. In circumstances where s.30(5) of the *Legal Profession Act* applies, have you advised the clients that such funds can be held in a specific trust account with the interest credited to the client?  N/A  Yes  No
3. At the time of this review, is there an amount greater than \$10,000 relating to a single transaction being held in any general trust account that has been there for more than 90 days?  Yes  No

If yes, please provide the information below:

Total # of balances	Total \$ amount of balances

4. At the time of this review, have any balances in any general trust account been held for more than one year, with no activity?  Yes  No

If yes, please fill in the table below.

If you wish, you may also include a separate attachment summarizing the above (including date, dollar amount, reason for balance, and client name/ID).

Period of time	Total # of balances	Total \$ amount
1-2 years		
2-3 years		
> 3 years		

5. Are you holding in trust any funds for which the purpose of the trust cannot be fulfilled and the trust funds cannot be distributed [see *Public Trustee Act* s.28(1)]?  Yes  No
6. On the last reconciliation for the year, were there any stale-dated cheques (i.e., outstanding for more than 6 months)?  Yes  No

If yes, what is the number and total dollar amount of these stale-dated cheques? # \_\_\_\_\_ \$ \_\_\_\_\_

### The Society is gathering information on the volume of lawyers who are using electronic banking methods (next 2 questions).

7. Do you make use of electronic deposits (i.e., cheque scanning, email transfers, incoming wire transfers, etc.) for trust account transactions?  Yes  No
8. Do you use electronic payment (withdrawals) methods (i.e., email transfer, wire transfer, online bill payment, etc.) for trust transactions?  Yes  No
9. Is this a FINAL Trust Account Report?  Yes  No

If yes – I undertake to file a confirmation from my bank(s) that the trust account(s) is (are) closed:  Yes

Please provide a reason for final report (e.g., retiring, changing category, changing firm/employer):

## Trust account oversight costs

The Society wishes to gain an understanding of the total cost for the legal profession of trust account oversight. In order to aid in that data collection, please select the range for the total cost of the accountant's work (before HST) in relation to this Trust Account Report and the Accountant's Report.

\$0 - \$500

\$501 - \$1,000

\$1,001 - \$2,000

\$2,001 - \$3,000

\$3,001 +

This report was completed by \_\_\_\_\_

The accountant's work for preparation of the Accountant's Report on the Trust Account Report is to be done pursuant to a written engagement dated \_\_\_\_\_.

The name of the accountant engaged to complete the Accountant's Report on the Trust Account is \_\_\_\_\_

Please provide email address and mailing address of the accountant noted above:

Email address: \_\_\_\_\_

Mailing address: \_\_\_\_\_

Phone number: \_\_\_\_\_